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Report of Progress and Accomplishments

during the period 1 July 1957 - 30 June 1958

1. Two audits of the Insurance Branch records were completed during the year, by representatives of the Audit Staff. One was concluded during the period August 16-30, 1957, and the other during the period ending June 13, 1958.

2. Commencing August 19, 1957, the new pre-numbered voucher-type check was used and has proved to be an efficient and time-saving addition. The voucher portion of the check shows the type of insurance, type of disbursement (claim, refund, other), together with a breakdown by amount of money of the number of days in hospital, hospital extras, doctor's fees, etc. This eliminates the need for a transmittal letter since the original of the voucher portion takes its place. The duplicate replaces the present voucher with the triplicate serving as a check against the possibility of a duplicate claim being paid.

3. Coding sheets were prepared and completed, enabling the Machine Records Division to punch IBM cards for use in furnishing statistical information in connection with the UBLIC accounts.

4. Individual folders filed in alphabetical sequence have been established, in which are filed all applications, claims forms, memoranda etc. for each individual GEHA policyholder. This has greatly expedited handling an individual's problems.

5. Representatives of the Branch delivered lectures to new employees numbering [REDACTED] sessions. It is estimated that about 10% actually applied at this time. A larger number applied later within the 60-day eligibility period. There seems no doubt but that these lectures have helped to minimize the number of people "left out" due to applying after the 60-day period.

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6. The GEHA exhibit at the "county fair" (support exhibit) was manned by Branch personnel on nine occasions during the year. The number of questions asked is constantly decreasing, seeming to indicate greater permeation of all corners of the agency by the "GEHA message."

7. The number of briefings of agency personnel, on GEHA matters has greatly increased. These are handled by individual case or on a group basis, and are afforded to people assigned to headquarters as well as to those leaving for overseas. These briefings are helpful to the Branch as they no doubt put the "briefees" in a position of helping other agency personnel better understand our program. Judging by the attitudes and questions the people being briefed derive some good from them.

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8. On several occasions the Branch Chief has accompanied case officers to meetings with agents at which time they have briefed these personnel on their entitlements insofar as insurance coverage is concerned.

9. The regular quarterly microfilming of the insurance records for the Vital Documents file was completed in August and November 1957, and February and May 1958.

10. In August 1957 the Insurance Branch activities were physically moved from [REDACTED] the Cashiers' Office remaining in Room 144.

11. Commencing in July 1957, old record cards, applications etc. have been continuously sent to the Records Center for storage in accordance with the instructions outlined in the Records Disposal Bulletin. Branch now current.

12. During this year two employees completed the Administrative Procedures training course and one completed the Basic Supervision course.

13. The Branch Chief now presents a monthly talk to employees taking the Operational Support Course.

14. A study was made of the salary costs of employees of the Branch for use in connection with the possibility of GEHA bearing these charges.

15. The five monthly I.B.M. runs, listing deductions from salaries of employees for payment of insurance premiums were changed from alphabetical to account number order to bring them in line with our National Cash Register accounts.

16. In May the Branch assumed the function of handling all dispatches from the field on insurance matters. Previously these were taken care of by the individual components involved.

17. Following is a summary reflecting the operational activities of this Branch for the reporting period.

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18. The following changes in GEHA coverage went into effect during the year.

(a) Effective 1 October 1957, it was determined by the Board of Directors that there would no longer be an annual application Drive for Mutual Hospitalization, as well as for UBLIC Life Insurance. Instead, these plans are available at any time providing the applications are accompanied by an acceptable health statement. New "EOD's" may still apply for Mutual Hospitalization and Surgical coverage within 60 days of entrance on duty without a health statement.

(b) Amendment Number 3, dated 1 October 1957, to the GEHA pamphlet, "Your Health and Life Insurance Program," dated 1 October 1956 was issued and provided in part, the following information:

(1) A waiting period of nine (9) months for maternity on all new applications.

(2) The new "Special Income Replacement Plan (Preferred Risk) Mutual of Omaha" was announced. The rates were increased about 20%, but benefits begin on the 31st day of total disability, rather than on the 91st day, as provided under the old plan. (A payroll staffer was prepared and distributed on this change.)

(3) The maximum amount of coverage under the Travel-Matic Plan (Mutual of Omaha) was increased from \$50,000 to \$100,000, with the rates for the additional amounts being proportionate to the present rates.

(4) The new Flite-Plan (Mutual of Omaha) was announced. This contract provides for extended air coverage on all types of passenger aircraft, whether government or civilian owned, which have valid air-worthiness certificates and are operated by pilots holding CAA commercial pilots' licenses or their military or foreign equivalents, at a higher premium.

(c) The Insurance Branch collaborated in the preparation of a special issue of the Support Bulletin titled "Special Issue on Employee Benefits" for the months of March-April 1958.

(d) The first contract under the "10-UP Life" Plan was issued in July 1957. (For employees other than Staff Agents or Staff employees.)

(e) A Book Dispatch outlining changes in the GEHA program was prepared in November 1957.

(f) Effective Jan. 15, 1958, applicants for Emergency

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Travel coverage were required to sign a statement regarding the physical condition of the persons they named. Book Dispatch No. 516, on this subject, was dispatched 12 December 1957.

(g) In March 1958 the Travel-Matic rates were reduced approximately 10-15%. Book Dispatch No. 666, on this subject, was dispatched 22 April 1958.

19. A recent survey of the increased volume in all phases of GEHA operations shows a sharp increase all along the line during the period 1955-1957, inclusive, the claims work-load increased 128%, the payment to the underwriters increased 85% or almost doubled. It is significant to note that payments to the underwriter for our Mutual of Omaha Hospitalization and Surgical plan have increased 146%, and the claims work associated specifically therewith increased 184% or almost tripled.

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Specific Plans for Fiscal Year 1959

(7/1/58-6/30/59)

1. As the result of a recent meeting, attended by the Chairman of the Board of Directors of GEHA and its officers, a joint study is to be made by representatives of the Comptroller's Office and the Audit Staff of ways and means of accomplishing the monthly or quarterly reconciliation of the insurance accounts by use of IBM procedures. It is hoped that not only will this study result in a much more efficient method of accomplishing the reconciliation, but also result in a method for eliminating the need for hand-posting our five payrolls' deduction accounts.

2. Due to the high rate of claims being reimbursed under the Mutual Hospitalization and Surgical plan, it is anticipated that an increase in both single and family premiums will be placed in effect. For each of the months of March, April, May, and June 1958, the total of the claims paid out has exceeded our monthly payments to the underwriter by \$14,962.93. For the past twenty-two (22) months, the claims paid total has been more than 96% of the premiums paid to the underwriter.

3. Based on the anticipated increase in payments during the coming year and also the fact that we have already increased the number of plans handled to eleven (11), it appears that it will be necessary to purchase another National Cash Register machine sometime in the near future. This, of course, is predicated on the fact that we continue using the National Cash Register system. Should this be necessary, additional space would obviously be necessary.

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Projected Work-Load Statistics

For Fiscal 1959-1960

1. During the fiscal year 1 July 1957 through 30 June 1958, the number of policies in force increased about 700 over-all, or an increase of about 5%. It appears that this same increase in number of policies in force should result during the next fiscal year, especially since there are no longer any "drives." This does not, of course, reflect the much greater increase in the necessary accompanying "supplementary" work in the Branch.
2. The heaviest influx of work during the ensuing year will be in the claims operations. During the year ending 30 June 1958, hospitalization and surgical claims reimbursed totalled \$600,187.29. Based on the last six months, which cover a more currently representative period, the claims paid totalled \$326,908.16. Projected through next June 1959, it is reasonable to assume that our claims will total between \$650,000.00 and \$675,000.00. The average number of claims paid per month for the year ending 30 June 1958 was 694. The projected work-load indicates an average of 737 per month next year.
3. The recently absorbed function of answering all dispatches to the field on insurance matters, is not yet approaching its maximum. Though the past few months have shown about 30-35 dispatches released per week, our projected figures estimate that during the next year the average will approach 100 released each week.

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